

**Senate Study Bill 1182 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
TRANSPORTATION BILL BY  
CHAIRPERSON KLIMESH)

**A BILL FOR**

1 An Act relating to automobile liability policy incentives for  
2 persons who install a speed governing device on an insured  
3 automobile.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 516B.4 Freeze in premiums — speed  
2 governing device.

3 1. An insurance company transacting business in this state  
4 that issues an automobile liability policy for an automobile  
5 registered in this state shall not increase the premiums of, or  
6 reduce services provided to, an insured customer who installs a  
7 speed governing device on the automobile, as of the date the  
8 customer provides proof of such installation to the insurance  
9 company.

10 2. In the event of a crash or collision involving the  
11 insured automobile, if it is discovered that the automobile  
12 was not connected to a speed governing device at the time of  
13 the crash or collision, the owner of the policy shall pay the  
14 insurance company an amount equal to any increased premiums  
15 that would have otherwise applied to the policy owner.

16 3. For purposes of this section, "*speed governing device*"  
17 means a device that measures and regulates the speed of an  
18 automobile on which it is installed and that prevents the  
19 automobile from exceeding eighty miles per hour.

20 EXPLANATION

21 The inclusion of this explanation does not constitute agreement with  
22 the explanation's substance by the members of the general assembly.

23 This bill prohibits an insurance company transacting  
24 business in Iowa from increasing the premiums of, or reducing  
25 services provided to, an insured customer who installs a speed  
26 governing device on an insured automobile and provides proof  
27 of such installation to the insurance company. The premium  
28 freeze goes into effect at the time the customer provides proof  
29 of installation of the speed governing device to the insurance  
30 company.

31 A person who receives a premium freeze under the bill must  
32 pay the insurance company an amount equal to any increase in  
33 premiums that otherwise would have applied to the customer if  
34 the insured automobile is involved in a crash or collision and  
35 it is discovered that the automobile was not connected to a

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1 speed governing device at the time of the crash or collision.

2 A "speed governing device" is defined in the bill to mean a  
3 device that measures and regulates the speed of an automobile  
4 on which it is installed and that prevents the automobile from  
5 exceeding 80 miles per hour.